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## UNITED STATES OF AMERICA POSTAL REGULATORY COMMISSION WASHINGTON, DC 20268-0001

Before Commissioners: Ruth Y. Goldway, Chairman;

Nanci E. Langley, Vice Chairman;

Marc Acton; and Robert G. Taub

Modification of Mail Classification Schedule Regarding Forever Print-on-Demand Indicia Docket No. MC2012-10

# ORDER APPROVING CLASSIFICATION CHANGE CONCERNING FOREVER PRINT-ON-DEMAND INDICIA

(Issued April 5, 2012)

### I. INTRODUCTION

On March 22, 2012, the Postal Service filed a notice with the Commission under 39 CFR 3020.90 and 3020.91 concerning a classification change related to Forever Print-on-Demand indicia.<sup>1</sup> The Postal Service proposes to modify the definition of Forever stamps in the Mail Classification Schedule's (MCS) Glossary of Terms and Conditions (Section 3007) to include Forever Print-on-Demand Indicia. *Id.* at 1. The Commission will include the proposed classification change in the MCS.

<sup>&</sup>lt;sup>1</sup> Notice of the United States Postal Service of Classification Change Related to Forever Print-on-Demand Indicia, March 22, 2012 (Notice).

#### II. PROCEDURAL HISTORY

In Order No. 1295, the Commission docketed the Notice, established a deadline for interested persons to comment, appointed a Public Representative, and noticed the proceeding in the *Federal Register.*<sup>2</sup> Comments were received from the Greeting Card Association (GCA), Pitney Bowes Inc., and the Public Representative.<sup>3</sup> The Postal Service filed a response to the Pitney Bowes Comments.<sup>4</sup>

#### III. PROPOSED CLASSIFICATION CHANGE

The Postal Service proposes this classification change to reflect its plans to sell at its Automated Postal Centers (APCs) a customer-specified quantity of postage indicia, containing a barcode, an image selected by the customer from a few postal-owned images, and the word "Forever." Notice at 1. The Postal Service intends to provide an alternative to stocking its APCs with Forever stamps by having the kiosks print Forever Print-on-Demand Indicia labels. The Print-on-Demand indicia will be sold at the then-current price of a First-Class Mail single-ounce letter, and, like Forever stamps, will carry the value of First-Class Mail single-ounce letter postage at the time of mailing.

The Postal Service proposes to include within the MCS Forever Stamps definition the Forever Print-on-Demand indicia as "a form of postage offered by the Postal Service, consisting of images aligned with indicia of postage payment." *Id.*, Attachment. The Postal Service believes the changes are consistent with 39 U.S.C. § 3642 and should be incorporated into the MCS. *Id.* at 1.

<sup>&</sup>lt;sup>2</sup> Notice and Order Concerning Classification Change Related to Forever Print-on-Demand Indicia, March 23, 2012 (Order No. 1295).

<sup>&</sup>lt;sup>3</sup> Comments of the Greeting Card Association (GCA Comments), Comments of Pitney Bowes Inc. (Pitney Bowes Comments) and Public Representative Comments (PR Comments) were filed April 30, 2012.

<sup>&</sup>lt;sup>4</sup> Response of the United States Postal Service to Comments of Pitney Bowes Inc. (Postal Service Response), April 3, 2012.

The Postal Service does not indicate the effective date of the proposed MCS change.

#### IV. COMMISSION ANALYSIS

The classification change was filed pursuant to 39 CFR 3020.90 and 3020.91 applicable to changes initiated by the Postal Service to assure product descriptions in the MCS accurately represent current product and service offerings of the Postal Service. If not inconsistent with 39 U.S.C. § 3642, the Commission shall, subject to editorial corrections, change the MCS to coincide with the effective date of the proposed change. 39 CFR 3020.93.

Comments in support of the change were received from GCA, Pitney Bowes and the Public Representative. GCA says the change is a valuable improvement for the Forever Stamp(s) program by allowing customers to purchase no more than for immediate requirements and providing a choice of indicia. The change increases the mail's appeal and helps preserve high-contribution First-Class letter mail volume. GCA Comments at 1.

The Public Representative supports the proposal and believes that it is consistent with 39 U.S.C. § 3642. PR Comments at 1. The change reduces costs for the Postal Service and allows mailers another channel to access Forever single-piece First-Class Mail postage. *Id.* at 2. The Public Representative suggests that the Postal Service explore other channels for First-Class Mail customers to acquire Forever postage. For example, PC postage on personalized stamps would provide additional convenience for many customers. *Id.* 

Pitney Bowes suggests a modification to the Postal Service's proposed MCS language to permit the same benefits to accrue to other mailers using different alternate retail access channels, including postage meters, PC postage, self-service kiosks, and customized postage. Pitney Bowes Comments at 2. It says this would promote consumer access and convenience while allowing the Postal Service to leverage technology to further reduce costs. *Id.* at 1. To implement its proposal to extend the

availability of Forever Print-on-Demand indicia, Pitney Bowes would strike the phrase "offered by the Postal Service" from the Postal Service's Forever Stamps/indicia description. *Id.* at 2.

The Postal Service does not agree with Pitney Bowes' proposal as it raises issues that the Postal Service needs more time to evaluate. Postal Service Response at 1. Also, it says the Governors of the Postal Service have exercised their authority establishing contours of the classification language which should not be changed at this time. *Id.* 

Pitney Bowes' proposed expansion to the Forever Stamps program is similar to the Public Representative's suggestion that the Postal Service should consider changes to the First-Class Mail product. Further expansion of the Forever Stamps program may have merit, but section 3020.90 and .91 filings apply to changes initiated by the Postal Service to reflect its current offerings. The Postal Service states this change is a limited first step that should not be expanded at this time. Postal Service Response at 1. The changes proposed by Pitney Bowes may be proposed by the Postal Service in the future or sought by a Pitney Bowes filing pursuant to appropriate sections of title 39 and the Commission's rules, but the Postal Service Response is clear that it currently intends the Forever stamp indicia to be available only from the Postal Service. Pitney Bowes' proposal is therefore not accepted.

The Commission finds that the Postal Service's proposed MCS changes are not inconsistent with 39 U.S.C. § 3642 and should be incorporated into the MCS.

The Postal Service does not indicate the effective date of the proposed change. The Commission's rules provide that the notice may be filed no later than 15 days prior to the effective date of the proposed change. 39 U.S.C. 3020.91. The Notice was filed March 22, 2012. The change will be effective no sooner than April 6, 2012.

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It is ordered:

The Mail Classification Schedule change concerning the Forever Print-on-Demand Indicia shall be accepted as indicated in the body of this Order with an effective date no earlier than April 6, 2011.

By the Commission.

Ruth Ann Abrams Acting Secretary